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ONE HUNDRED TENTH CONGRESS

U.S. House of Representatives
Committee on Energy and Commerce
Washington, DC 20515-6115

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June 12, 2007

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The Honorable Daniel R. Levinson
Inspector General
U.S. Department of Health and Human Services
Office of Inspector General
330 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Mr. Levinson:

We are writing to request that the Office of Inspector General, Department of Health and Human Services (OIG) conduct audits of the controls over property such as laptop computers and scientific equipment throughout the Centers for Disease Control and Prevention (CDC) to address concerns about the CDC's accountability for such property.

On October 23, 2006, we wrote to the CDC requesting information and records on management concerns, including accountability for property. In response to this inquiry, the CDC produced some records and information that raise troubling issues about its property management. For example, information provided by the CDC and others revealed the following:

- For FY 1995 – FY 2006, a total of 1,339 missing property reports were filed, with over \$2 million worth of stolen and unrecovered property. This includes a March 24, 2002 burglary at a CDC warehouse in which entry was made by cutting through steel doors. CDC estimated approximately \$500,000 of new, unopened Dell and Compaq computers were stolen. It has been alleged that the security systems were bypassed because of insider knowledge of the locations of sensors and cameras. CDC reported to Committee staff that the property was not recovered. However, Committee staff has reason to believe that some equipment may have been bought and recovered over e-bay by an OIG investigator. Further, Committee staff has reason to believe that prior to the theft there was a funding request for upgraded and extensive security and recording equipment at this location given the number of computers and equipment stored in the warehouse, and that the request was only partially funded. CDC reported to the Committee that CDC has since terminated the lease with the warehouse facility where the

theft occurred and moved to a new, more secure location with 24-hour security and “hardened” security features.

- According to an e-mail from CDC to Committee staff, CDC’s Crime Reporting System (CRS database) does not contain specific information as to investigations.

- For FY 2004 – FY 2006, there have been 61 investigations conducted into the theft or disappearance of CDC property and these reports have been provided to local law enforcement authorities for resolution. Even though the CRS database did not contain specific information on investigations, CDC was able to gather this information manually from Walden Security (contractor to CDC) and DeKalb County Police reports (the county where CDC is headquartered).

- Given the limitations of its CRS database, CDC was unable to provide data on the number of investigations of thefts or disappearances of CDC property for each fiscal year starting with FY 1995-03. Information for that time period would require inquiries to outside sources, including the HHS OIG, FPS, and DeKalb County Police.

- As of February 22, 2007, there were 5,547 unaccounted items representing over \$22 million of CDC property.

- CDC was unable to provide information on the number of theft or disappearance cases reported to the HHS OIG, although CDC stated that large thefts/break-ins were reported to the Federal Protective Service and the OIG.

- CDC did not have information on arrests or convictions arising from these investigations.

- Committee staff has received an allegation from multiple credible sources that sometime during or after 2004, CDC in an auditorium in Building 2 gave away furniture and a used piano to CDC employees on a “first come first serve” basis, who were told to take it away so they would not have to account for the property.

- CDC informed Committee staff that it has been over 10 years since the last audit of CDC’s property management function.

We note that your office previously conducted an audit of CDC’s property management and published a May 10, 1995 report entitled, “Review of the Centers for Disease Control and Prevention’s Resolution of Unaccounted for Property.” In light of this past work, we believe this is an appropriate request for the OIG, and that the OIG would have an interest in assessing whether CDC adequately implemented the OIG’s recommendations in the 1995 report. We further note that the report mentioned that the CDC’s missing property list dated February 1994 contained 648 items which totaled \$1.6 million. The data previously cited above substantiates a much greater missing property problem than what was described in the OIG’s last audit and is additional justification for this request.

The Honorable Daniel R. Levinson

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Thank you for your consideration of this request. If you have any questions, please do not hesitate to contact Alan Slobodin of the Republican Committee Staff at (202) 225-3641.

Sincerely,



Joe Barton
Ranking Member



Ed Whitfield
Ranking Member
Subcommittee on Oversight
and Investigations

Attachments

cc: The Honorable John D. Dingell, Chairman
The Honorable Bart Stupak, Chairman
Subcommittee on Oversight and Investigations
The Honorable Michael Leavitt,
Secretary, Department of Health and Human Services
Julie Gerberding, M.D.,
Director, Centers for Disease Control and Prevention